

Message Text

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43

ACTION EB-11

INFO OCT-01 AF-10 ADP-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 FRB-02 H-03 INR-10 L-03 LAB-06 NSAE-00 NSC-10

PA-03 RSC-01 AID-20 CIEP-02 SS-15 STR-08 TAR-02

TRSE-00 USIA-12 PRS-01 OMB-01 RSR-01 /144 W

----- 076309

R 131113Z JUL 73

FM AMEMBASSY PRETORIA

TO SECSTATE WASHDC 8286

INFO AMCONSUL DURBAN BY POUCH

AMCONSUL CAPE TOWN BY POUCH

AMCONSUL JOHANNESBURG BY POUCH

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E. O. 11652: N/A

TAGS: EAGR, ETRD, EGEN, SF

SUBJ: CONSULTATIONS ON FOODSTUFFS EXPORT LIMITATIONS

REF: STATE 125345; 125374; 126473; 127927; 128066

SUMMARY: SUBJECT CONSULTATIONS CONFIRMED SOUTH AFRICAN
STATISTICAL DATA ALREADY REPORTED THROUGH AGRICULTURE CHANNELS.
SIGNIFICANT ELEMENT IS THAT SOUTH AFRICA WILL NOT RPT NOT BE
EXPORTING CORN DUE POOR CROP IN CONTRAST BUMPER CROPS PREVIOUS
TWO YEARS AND EXPORTS OF 3 MILLION M/T IN PAST CALENDAR YEAR.
FYI. WHILE SAG HAS ANNOUNCED PROGRAM MIX YELLOW WITH WHITE
CORN, SA MAY IN FACT NEED IMPORT SOME WHITE CORN TO HAVE ADEQUATE
CARRY-OVER UNTIL NEXT YEAR'S CROP AVAILABLE. END FYI. WHEAT
OUTLOOK IS AVERAGE WITH EXPORTS PROBABLY LIMITED SMALL AMMOUNTS
TO NEARBY MARKETS. ANIMAL FEEDING REQUIREMENTS GROWING AND
SAG SEEKING ENCOURAGE DEVELOPMENT SOYBEAN PRODUCTION, BUT THIS
WILL PROBABLY BE LIMITED. FISHMEAL PRODUCTION 210,000 TONS
ANNUALLY NOTED PLUS REQUIREMENT 150,000 TONS BE SOLD FOR LOCAL
USE AT BELOW WORLD PRICE. LEVY ON FISHMEAL EXPECTED BE USED
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SUPPORT PROGRAMS FOR OTHER PROTEIN SUPPLEMENTS. SA SIDE

EXPRESSED INTEREST IN ANY DEVELOPMENTS ON RICE, A PRINCIPAL AG IMPORT FROM THE US. END SUMMARY.

1. PURSUANT STATE 125345, EMBASSY PROPOSED CONSULTATIONS THROUGH SOUTH AFRICA DFA WHICH SUBSEQUENTLY ARRANGED MEETING JULY 6 OF ECON COUNSELOR AND AGRI. ATTACHE WITH REPS SA DEPT. AGRICULTURAL ECONOMICS AND MARKETING (DIRECTORS ECONOMIC SERVICES VAN SCHALKWYK AND SMIT; AND CHIEF AG MARKETING RESEARCH GELDENHUYS). AS EXPECTED, STATISTICS PROVIDED BY SA REPS CONFIRMED DETAILED AGRICULTURAL SERIES REPORTS ALREADY AVAILABLE WASHINGTON (SEE ESPECIALLY SA 3033, MAY 3, AND SA 3045, JULY 3). FOLLOWING PARAS, HOWEVER, RECAP SITUATIONS (AMOUNTS IN METRIC TONS) VARIOUS FOODSTUFFS AND ADDITIONAL POINTS OF INTEREST DEVELOPED. IN BRIEF, CORN AND WHEAT EXPORTS FROM CURRENT STOCKS HAVE BEEN HALTED AND NO RPT NO EXPORTS FROM NEW CROPS ARE ENVISAGED.

2. WHEAT: CARRY-OVER 9/30/72 - 767,000; PRODUCTION 1,687,000; IMPORTS 16,000; LOCAL CONSUMPTION 1,424,000; EXPORTS 394,000; STOCKS 9/30/73 - 652,000; PRELIMINARY ESTIMATE NEW CROP 1,345,000. RECENT RAINS MAY IMPROVE NEW WHEAT CROP OUTLOOK SOMEWHAT. (FYI: FROM OTHER SOURCES: THERE IS PATTERN RELATIVELY SMALL LOT EXPORTS WHEAT AND FLOUR TO ZAIRE, ANGOLA, MOZAMBIQUE AND MALAWI WHICH MAY CONTINUE. SOME SOLD TO RHODESIA WAS SUBSEQUENTLY REEXPORTED TO MALAWI. SOMEWHAT LARGER SHIPMENTS SUCH AS 10,000 TONS TO JAPAN OR ABOUT 13,000 EACH TO TAIWAN AND CHILE EARLIER IN 1973 APPEAR LESS LIKELY IN COMING YEAR GIVEN PRESENT ESTIMATES. END FYI)

3. CORN: CARRY-OVER 4/30/73 - 2,037,000; PRODUCTION 4,319,000 (INCLUDING 1 MILLION KEPT ON FARMS); LOCAL COMMERCIAL CONSUMPTION 4,730,000 PLUS 1 MILLION KEPT ON FARMS; EXPORTS 190,000; STOCKS 4/30/74 - 436,000. SHOULD NOTE THAT YELLOW CORN POSITION 4/30/74 ESTIMATED 692,000 TONS WITH ESTIMATED SHORTAGE WHITE CORN 256,000 TONS. SA MAIZE BOARD HAS ANNOUNCED DECISION MIX YELLOW AND WHITE CORN THIS SEASON WHICH COULD THEORETICALLY MEET WHITE CORN SHORTAGE AND LEAVE INDICATED CARRY-OVER NEXT YEAR. FYI. WHILE SA AUTHORITIES HAVE DESIRED AVOID SUGGESTING CORN IMPORT REQUIREMENT, THIS POSSIBILITY IS IMPLICIT IN SITUATION. THIS ESPECIALLY SINCE NORMAL CARRY-OVER OF 560,000 M/T WHITE AND 340,000 M/T YELLOW CORN CONSIDERED NECESSARY LIMITED OFFICIAL USE

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UNTIL NEW CROP AVAILABLE. ALSO DEMAND FOR YELLOW CORN FOR FEEDING IS INCREASING AND THERE DOUBT AS TO MARKET ACCEPTABILITY OF MEAL INCLUDING YELLOW CORN MIX. END FYI.

4. SORGHUM: CARRY-OVER 4/30/73 - 52,000; PRODUCTION 230,000; CONSUMPTION 210,000; STOCKS 4/30/74 - 72,000.

5. OATS: CARRY-OVER 3,200; PRODUCTION 33,000; IMPORTS 11,340;

CONSUMPTION 47,500.

6. BARLEY: CARRY-OVER 700; PRODUCTION 21,600; IMPORTS 31,100;
CONSUMPTION 53,400.

7. RYE: PRODUCTION 770; IMPORTS 2,100; CONSUMPTION 2,870.

8. DISCUSSION RANGED OVER OTHER PROTEIN SOURCES. SA PRODUCES
AND BOTH CONSUMES AND EXPORTS FISHMEAL. 1972 PRODUCTION WAS
210,000 TONS. MFGRS. ARE REQUIRED TO SELL 150,000 TONS LOCALLY.
LOCAL PRICE FIXED AT R106 PER TONE 1972, RAISED TO R150 IN
DECEMBER AND TO R163 IN FEBRUARY 1973. (THIS COMPARES WORLD
PRICE WHICH SA REPS PUT AT ABOUT R500 PER TON).

9. ADDITIONALLY, LEVY OF R7.50 PER TON WILL BE RETAINED ON
125,000 TONS OF FISHMEAL LOCAL SALES ANNUALLY. WHILE DETAILS
USE LEVY STILL NOT FIRM, IDEA IS USE FUNDS TO FINANCE STIMULATION
PRODUCTION PROTEIN SUPPLEMENTS. WITH FAVORABLE MEAT PRICES,
SA REPS EXPECT INCREASED FEEDING. IN EFFORT SIMULATE
ESTABLISHMENT SOYBEANS, GOVT. HAS FIXED IN ADVANCE R12 PER 90
KILOGRAMS PRICE FOR 1974 CROP. SINCE PLANTING WOULD BE SEPT-OCT,
NO RPT NO ESTIMATE OF RESPONSE TO INCENTIVE POSSIBLE AT THIS TIME.
EXPECTED BE LIMITED HOWEVER SINCE SEED A PROBLEM AND RAINFALL
MAKES SOYBEAN PROSPECTS MARGINAL ANY EVENT. (MOST CURENT
PRODUCTION IS FOR HUMAN CONSUMPTION.) CONDITIONS FAVOR SUNFLOWER
AND PEANUT CULTIVATION. SA REPS NOTED THAT AS RESULT FAIRLY
RECENT AUTHORIZATION SALE YELLOW MARGARINE, THEY ARE GETTING
MORE OILSEED CAKE.

10. UP-TO-DATE SERIES OF ANNOUNCEMENTS ON US EXPORT CONTROLS
AND US CROP OUTLOOK PROVIDED SA REPS. SA SIDE AGREED PROVIDED
ANY ADDITIONAL INFORMATION THAT MIGHT BE REQUESTED AND EXPRESSED
INTEREST IN RESULTS SURVEYS AND OTHER DEVELOPMENTS. ALSO NOTE
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PRINCIPAL INTEREST IN RICE IMPORTS FROM US AND ASKED FOR
INFORMATION ON ANY DEVELOPMENTS IN THIS AREA.
HURD

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NNN

Message Attributes

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Disposition Authority: garlanwa
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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